

FISCAL NOTE

Bill #: HB0689

Title: Revise laws relating to lobbying

Primary Sponsor: Olson, A

Status: As Amended in House Committee

Sponsor signature _____ Date _____

Chuck Swysgood, Budget Director _____ Date _____

Fiscal Summary

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Expenditures:		
General Fund	\$0	\$19,400
State Special Revenue	\$0	(\$19,400)
Revenue:		
General Fund	\$0	(\$9,700)
State Special Revenue	\$0	(\$19,400)
Net Impact on General Fund Balance:	\$0	(\$29,100)

- | | |
|-----------------------------------------------------------|------------------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Commissioner of Political Practices

1. The lobbyist registration fee was \$50 prior to July 1, 2001.
2. The current lobbyist registration fee is \$150.
3. Two-thirds of the fee, or \$100, is deposited in a state special revenue account established in 5-11-112, MCA, and appropriated to the Legislative Services Division to fund the obligations of the state broadcasting service (commonly called Television Montana, TVMT).
4. The remaining \$50 is deposited in the general fund.
5. HB 689 establishes a reporting threshold of \$2,150 that would exempt an individual from being required to register as a lobbyist if the individual is paid less than \$2,150, excluding personal and travel expenses, in a calendar year.
6. During the 2001-2002 registration period, there were 554 principals with at least one registered lobbyist.
7. In 2001-2002, of the 554 principals who had a least one registered lobbyist, 190 (34%) of those principals expended less than \$2,150 for lobbying.
8. There were 919 lobbyists registered in the 2001-2002 registration period. Of that number, 194 (21%) of those lobbyists would not be required to register in 2005 under the \$2,150 exemption.

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(continued)

9. An accurate estimate of lobbyists not required to register in 2005 under the \$2,150 exemption in HB 689 is difficult to determine because salary information is not reported separately by each lobbyist on financial reports.

Legislative Branch

10. Decreased state special revenue from lobbyist fees will total \$19,400 in FY 2005.
11. Special revenue fund appropriations to TVMT in the introduced version of HB 2 are \$60,000 over the 2005 biennium.
12. Lobbyist fee collections will be insufficient to provide funding for TVMT appropriations during the 2005 biennium, reducing funding for the program by 32 percent. To maintain program viability, general fund replacement of the \$19,400 will be requested.
13. Additional decreases in special revenue funding are anticipated beyond the 2005 biennium. Funding for TVMT during the four-month 2003 legislative session is provided in HB 1 and is not affected by HB 689. A similar appropriation will be requested during the 2005 biennium.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Commissioner of Political Practices		
<u>Revenues:</u>		
General Fund (01)	\$0	(\$9,700)
State Special Revenue (02)	\$0	(\$19,400)
Legislative Branch		
<u>Funding of Expenditures:</u>		
General Fund (01)	\$0	\$19,400
State Special Revenue (02)	\$0	(\$19,400)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$0	(\$29,100)
State Special Revenue (02)	\$0	(\$19,400)

LONG-RANGE IMPACTS:

The adjustment to the payment threshold every two years will increase the payment threshold amount. Additional lobbyists may be exempt every adjustment period due to the exemption amount increase. Revenues from lobbyist registration fees will decrease for every additional lobbyist who is exempt from having to register. Continued decreases in special revenue fund collections beyond the 2005 biennium will result in corresponding general fund requests for TVMT.